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REPORT
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NURSE EDUCATION AMENDMENTS OF 1985

JULY 15, 1985.—Ordered to be printed

Mr. HATCH, from the Committee on Labor and Human Resources, submitted the following

REPORT

[To accompany S. 1284]

The Committee on Labor and Human Resources, to which was referred the bill (S. 1284) to amend title VIII of the Public Health Service Act, relating to nurse education, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

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I. SUMMARY OF BILL

NURSING SPECIAL PROJECTS

The Committee's bill reauthorizes the nursing special projects program providing grants and contracts for: (1) increasing nursing education opportunities for individuals from disadvantaged backgrounds; (2) providing continuing education for nurses; (3) providing appropriate retraining opportunities for nurses; (4) helping to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel; and

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(5) providing training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel. For these projects, the bill authorizes $9.5 million each for fiscal years 1986, 1987, and 1988.

The Committee's bill adds three new purposes for which grants and contracts may be awarded under the special projects authority: (1) demonstrate clinical nurse training programs which combine educational curricula and clinical practice in health care delivery organizations, including acute care facilities, long-term care facilities, and ambulatory care facilities; (2) improve access to nursing services in noninstitutional settings through support of nursing practice arrangements in communities; or (3) encourage nursing graduates to practice in health manpower shortage areas, to improve specialty geographical distribution of nurses in the United States.

For these projects, the bill authorizes $2.7 million each for fiscal years 1986, 1987, and 1988. In making grants for these new authorities, the Secretary shall give priority to projects to demonstrate methods for improving access to nursing services in noninstitutional settings.

ADVANCED NURSE EDUCATION

The Committee's bill revises the advanced nurse education program to authorize grants to and contracts with public and private nonprofit collegiate schools of nursing to: (1) plan, develop, and operate; (2) expand; or (3) maintain programs which lead to master and doctoral degrees and which prepare professional nurses to serve as nurse educators, administrators, researchers, or to serve in clinical nurse specialties determined by the Secretary to require advanced education. The bill authorizes $16.5 million for fiscal year 1986, $17 million for fiscal year 1987, and $17.5 million for fiscal year 1988.

NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS

The bill revises the authority for nurse practitioner programs to authorize grants and contracts for schools of nursing and public health, medicine, hospitals, and other entities to (1) plan, develop and operate; (2) expand; or (3) maintain programs for the education of nurse practitioners as well as nurse midwives. The bill requires the Secretary to give special consideration to applications for the education of nurse practitioners and nurse midwives who will practice in health manpower shortages areas and for the education of nurse practitioners which emphasize the special problems and needs of geriatric patients, nursing home patients, and patients confined to home.

The bill authorizes appropriations of $12 million each for fiscal years 1986, 1987, and 1988 for nurse practitioner and nurse midwife education.

TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES

The Committee's bill revises the authority for traineeships for the advanced education of professional nurses to authorize the Sec-

retary to make grants to public and private nonprofit schools of nursing and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to cover the cost of traineeships for nurses in master's and doctoral degree programs to educate such nurses to serve in and prepare for practice as: (1) nurse practitioners and nurse midwives; (2) nurse administrators, educators and nurse researchers; and (3) other professional nursing specialities determined by the Secretary to require advanced training. The bill provides a new program focus by giving the Secretary authority to make grants to cover the costs of post baccalaureate fellowships for faculty in schools of nursing to enable such faculty to:

(1) investigate cost-effective alternatives to traditional health care modalities, with special attention to the needs of at-risk populations, such as the elderly, premature newborns, physically and mentally disabled individuals, and ethnic minority groups;

(2) examine nursing interventions that result in positive outcomes in health status, with attention to interventions which address family violence, drug and alcohol abuse, the health of women, adolescent care, and disease prevention; and

(3) Address other areas of nursing practice considered by the Secretary to require additional study. The bill authorizes for traineeships $11.5 million for FY 1986, $12.25 million for FY 1987, and $13 million for FY 1988, and authorizes for faculty fellowships $1.1 million each for fiscal years 1986, 1987, and 1988.

NURSE ANESTHETISTS

The Committee's bill extends the authority for traineeships for training of nurse anesthetists and adds new authority for grants to public or private non-profit institutions to cover the cost of projects to improve existing programs for the education of nurse anesthetists. Such grants shall include grants to institutions for the purpose of providing financial assistance and support to certified registered nurse anesthetists who are faculty members of accredited programs to enable such persons to obtain advanced education relevant to their teaching functions. The bill authorizes for the revised authority $0.8 million each for fiscal years 1986, 1987, and 1988. Not more than 20% of the amount appropriated in a fiscal year may be used for grants to assist nurse anesthetist faculty members to obtain advanced education relevant to their teaching functions.

NURSING STUDENT LOANS

The Committee's bill amends the nursing student loan program, but authorizes no new appropriations for capital contributions to schools' revolving loan funds. The bill adds language to clarify that loans are to be made to students with exceptional financial need. It also provides authority and procedures for the Secretary to attempt to collect loans which are in default. The bill requires the Secretary to allot to schools of nursing amounts returned to the Secretary from terminated loan funds and excess amounts collected by schools and to give schools of nursing which established student

loan after September 30, 1975 priority in the allotment of these funds.

The Committee's bill also authorizes the Secretary of the Treasury to disclose to the Secretary of the Department of Health and Human Services (DHHS) the address of those persons who have defaulted on nursing student loans and allows the Secretary of DHHS to disclose this information to nursing schools to assist them in the collection of defaulted loans.

II. Background and Need for Legislation

The Federal Government has provided financial assistance for nurse training and education programs since the 1930s. However, the first comprehensive Federal authority to provide funds for nursing education was established in 1964, with the enactment of the Nurse Training Act of 1964, P.L. 88-581. This legislation, which consolidated and expanded existing programs of support in a new title VIII of the Public Health Service Act, was passed in response to perceived shortages of professional nurses in the country.

The nurse training authority of title VIII has provided essentially two kinds of assistance—institutional support for nursing schools and financial assistance for nursing students. This support has increased the enrollments and graduates of nursing educational institutions. It has provided student financial assistance in the form of loans and traineeships and has also increased the opportunities of nurses to obtain advanced training to become nursing administrators, nurse practitioners, and clinical nurse specialists.

Title VIII was last extended in 1981 by P.L. 97-35, the Omnibus Budget Reconciliation Act of 1981. In fiscal year 1985, title VIII nurse training programs received appropriations of $50,300,000 Title VIII appropriations for fiscal year 1982 through 1985 are detailed in the following table.

FISCAL YEAR 1982-85 APPROPRIATIONS FOR TITLE VIII, NURSE TRAINING PROGRAMS

[In thousands of dollars]

	Fiscal year—			
	1982	1983	1984	1985
Special projects (sec. 820)	6,175	6,333	7,156	9,500
Advanced nursing training (sec. 821)	11,520	13,260	13,260	16,500
Nurse practitioner (sec. 822)	11,520	11,760	11,760	12,000
Advanced nurse traineeship (sec. 830)	9,600	9,600	9,600	11,500
Nurse anesthetists (sec. 831)			400	500
Nursing student loans	6,720	110		0
Loan repayments/cancellation	940	2,500		0
Total	46,475	43,563	42,176	50,300

In addition, the Department of Health and Human Services estimates that $18 million will be available in nursing school revolving loan funds for new nursing student loan awards in each of the fiscal years 1985 and 1986.

The Nation's supply of registered nurses has increased dramatically since 1964 when title VIII was established. At that time there were 550,000 registered nurses in the country. The Surgeon Gener-

al's Consultant Group on Nursing concluded in 1964 that the Nation would need 850,000 nurses by 1970 to provide a satisfactory level of nursing services. Today there are nearly 1.7 million nurses nationwide. Of this total, approximately 1.3 million are employed in a variety of settings, including hospitals, nursing homes, physicians' offices, clinics, and nursing schools.

In addition, increases in nursing employment have more than kept pace with population growth. In 1965, there were an estimated 319 nurses per 100,000 population, or 279 full-time equivalent nurses per 100,000 population. By December 13, 1980, these ratios had increased to 560 employed nurses per 100,000 population and 470 full-time equivalent nurses employed per 100,000 population, a 75 percent and 68 percent increase, respectively.

Title VIII has succeeded in meeting one of the principal objectives of the original authorizing legislation of 1964. The 1983 comprehensive report of the Institute on Medicine, Nursing and Nursing Education: Public Policies and Private Actions observed that on the basis of all evidence it had been able to study, there was not in the aggregate a significant national shortage of generalist registered nurses. However, the Institute of Medicine study did identify shortages that occur unevenly throughout the Nation in different geographic areas, in different health care settings, and in specialty nursing. In addition, this study found that the number of nurses with master's and doctoral degrees should be increased to fill positions in administration and management of clinical services and of health care institutions, in academic nursing (teaching, research, and practice), and in clinical specialty practice. It is these and other concerns which the Committee's bill is designed to address.

III. History of S. 1284

A bill, S. 1284, to revise and extend provisions of the Public Health Service Act relating to nursing, was introduced by Senator Hatch on June 12, 1985, and was referred to the Committee on Labor and Human Resources. Because these issues were extensively aired at hearings in the 98th Congress, the Committee did not believe it necessary to hold additional hearings. Legislation of the 98th Congress was redrafted based on Administration recommendations and suggestions from outside organizations, and to achieve Committee consensus. The bill was reported from Committee on June 27, 1985.

IV. Text of S. 1284 as Reported

A BILL to amend title VIII of the Public Health Service Act, relating to nurse education

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nurse Education Amendments of 1985".

Sec. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SPECIAL PROJECTS

SEC. 3. (a) Section 820(a) is amended—

(1) by striking out "or" after the semicolon in paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

(3) by inserting after paragraph (5) the following:

"(6) demonstrate clinical nurse education programs which combine educational curricula and clinical practice in health care delivery organizations, including acute care facilities, long-term care facilities, and ambulatory care facilities;

"(7) demonstrate methods to improve access to nursing services in noninstitutional settings through support of nursing practice arrangements in communities; or

"(8) demonstrate methods to encourage nursing graduates to practice in health manpower shortage areas (designated under section 332) in order to improve the specialty and geographical distribution of nurses in the United States.".

(b) Section 820(d) is amended—

(1) by striking out the first sentence and inserting in lieu thereof: "(1) For payments under grants and contracts under paragraphs (1) through (5) of subsection (a), there are authorized to be appropriated $9,500,000 for the fiscal year ending September 30, 1986, $9,500,000 for the fiscal year ending September 30, 1987, and $9,500,000 for the fiscal year ending September 30, 1988.";

(2) by striking out "this subsection" in the second sentence and inserting in lieu thereof "this paragraph";

(3) by striking out "1981," in such sentence and inserting in lieu thereof "1985,"; and

(4) by adding at the end thereof the following new paragraph:

"(2) For payments under grants and contracts under paragraphs (6), (7), and (8) of subsection (a), there are authorized to be appropriated $2,700,000 for the fiscal year ending September 30, 1986, $2,700,000 for the fiscal year ending September 30, 1987, and $2,700,000 for the fiscal year ending September 30, 1988. In making grants and entering into contracts with amounts appropriated under this paragraph, the Secretary shall give priority to applications for grants and contracts under paragraph (7) of subsection (a).".

ADVANCED NURSE EDUCATION

SEC. 4. Section 821 is amended to read as follows:

"ADVANCED NURSE EDUCATION

"SEC. 821. (a) The Secretary may make grants to and enter into contracts with public and private nonprofit collegiate schools of nursing to meet the costs of projects to—

"(1) plan, develop, and operate,

"(2) expand, or

"(3) maintain,

programs which lead to masters' and doctoral degrees and which prepare nurses to serve as nurse educators, administrators, or researchers or to serve in clinical nurse specialties determined by the Secretary to require advanced education.

"(b) For payments under grants and contracts under this section, there are authorized to be appropriated $16,500,000 for the fiscal year ending September 30, 1986, $17,000,000 for the fiscal year ending September 30, 1987, and $17,500,000 for the fiscal year ending September 30, 1988.".

NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS

SEC. 5. (a)(1) Paragraph (1) of section 822(a) is amended to read as follows:

"(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing and public health, public or nonprofit private schools of medicine which received grants or contracts under this subsection prior to October 1, 1985, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

"(A) plan, develop, and operate,

"(B) expand, or

"(C) maintain,

programs for the education of nurse practitioners and nurse midwives. The Secretary shall give special consideration to applications for grants or contracts for programs for the education of nurse practitioners and nurse midwives who will practice in health manpower shortage areas (designated under section 332) and for the education of nurse practitioners which emphasize education respecting the special problems of geriatric patients and education to meet the particular needs of nursing home patients and patients who are confined to their homes.".

(2) Paragraph (2) of such section is amended—

(A) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) For purposes of this section, the term 'programs for the education of nurse practitioners and nurse midwives' means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities (where appropriate), and other health care institutions."; and

(B) by striking out "training" in the first sentence of subparagraph (B) and inserting in lieu thereof "education.";

(C) by inserting "and nurse midwives" before the period in the first sentence of subparagraph (B).

(b) Section 822(b) is amended—

(1) by striking out "nursing, medicine, and public health," in paragraph (1) and inserting in lieu thereof "nursing and

public health, schools of medicine which received grants or contracts under tnis subsection prior to October 1, 1985,";

(2) by inserting "and nurse midwives" before the period in the first sentence of paragraph (1);

(3) by inserting "or nurse midwife" after "practitioner" in paragraph (3); and

(4) by inserting "or in a public health care facility" before "for a period" in paragraph (3).

(c) Section 822(c) is amended—

(1) by striking out "training" and inserting in lieu thereof "education"; and

(2) by inserting "and nurse midwives" after "nurse practitioners".

(d) Section 822 is further amended by striking out subsection (d) and by redesignating subsection (e) as subsection (d).

(e) Section 822(d) (as redesignated by section (d) of this section) is amended to read as follows:

"(d) For payments under grants and contracts under this section, there are authorized to be appropriated $12,000,000 for the fiscal year ending September 30, 1986, $12,000,000 for the fiscal year ending September 30, 1987, and $12,000,000 for the fiscal year ending September 30, 1988.".

(f) The heading for section 822 is amended to read as follows: "NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS".

TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES

SEC. 6. (a) Paragraph (1) of section 830(a) is amended to read as follows:

"(1)(A) The Secretary may make grants to public or nonprofit private schools of nursing and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to cover the cost of traineeships for nurses in masters' degree and doctoral degree programs in order to educate such nurses to—

"(i) serve in and prepare for practice as nurse practitioners,

"(ii) serve in and prepare for practice as nurse administrators, nurse educators, and nurse researchers, or

"(iii) serve in and prepare for practice in other professional nursing specialties determined by the Secretary to require advanced education.

"(B) The Secretary may make grants to public and private nonprofit schools of nursing and appropriate public and private nonprofit entities to cover the cost of traineeships to educate nurses to serve in and prepare for practice as nurse midwives.".

(b) Section 830 is further amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by striking out the first sentence of such subsection and inserting in lieu thereof the following:

"(1) There are authorized to be appropriated for the purposes of subsection (a) $11,500,000 for the fiscal year ending September 30, 1986, $12,250,000 for the fiscal year ending September 30, 1987, and $13,000,000 for the fiscal year ending September 30, 1988.";

(3) by striking out the second sentence of such subsection;

(4) by striking out "subsection (a)(1)(C)" in the third sentence and inserting in lieu thereof "subsection (a)(1)(A)(i)";

(5) by adding at the end of such subsection the following new paragraph:

"(2) There are authorized to be appropriated for the purposes of subsection (b) $1,100,000 for the fiscal year ending September 30, 1986, $1,100,000 for the fiscal year ending September 30, 1987, and $1,100,000 for the fiscal year ending September 30, 1988.";

(5) by inserting after subsection (a) the following new subsection:

"(b) The Secretary may make grants to public or private nonprofit schools of nursing to cover the costs of post-baccalaureate fellowships for faculty in such schools to enable such faculty to—

"(1) investigate cost-effective alternatives to traditional health care modalities, with special attention to the needs of at-risk populations, such as the elderly, premature infants, physically and mentally disabled individuals, and ethnic and minority groups;

"(2) examine nursing interventions that result in positive outcomes in health status, with attention to interventions which address family violence, drug and alcohol abuse, the health of women, adolescent care, and disease prevention; and

"(3) address other areas of nursing practice considered by the Secretary to require additional study."; and

"(6) by striking out "TRAINING" in the section heading and inserting in lieu thereof "EDUCATION".

NURSE ANESTHETISTS

SEC. 7. (a) Section 831(a)(1) is amended by striking out "Commissioner" and inserting in lieu thereof "Secretary".

(b) Section 831 is further amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) The Secretary may make grants to public or private nonprofit institutions to cover the cost of projects to improve existing programs for the education of nurse anesthetists which are accredited by an entity or entities designated by the Secretary of Education. Such grants shall include grants to such institutions for the purpose of providing financial assistance and support to certified registered nurse anesthetists who are faculty members of accredited programs to enable such nurse anesthetists to obtain advanced education relevant to their teaching functions.".

(c) Section 831(c) (as redesignated by subsection (b) of this section) is amended to read as follows:

"(c) For the purpose of making grants under this section, there are authorized to be appropriated $800,000 for the fiscal year ending September 30, 1986, $800,000 for the fiscal year ending September 30, 1987, $800,000 for the fiscal year ending September 30, 1988. Not more than 20 percent of the amount appropriated under this section for any fiscal year shall be obligated for grants under the second sentence of subsection (b).".

(d) The section heading for such section is amended by striking out "TRAINEESHIPS FOR TRAINING OF".

STUDENT LOANS

SEC. 8. (a) Section 835 is amended by adding at the end thereof the following new subsection:

"(c)(1) Any standard established by the Secretary by regulation for the collection by schools of nursing of loans made pursuant to loan agreements under this subpart shall provide that the failure of any such school to collect such loans shall be measured in accordance with this subsection.

"(2) The measurement of a school's failure to collect loans made under this subpart shall be the ratio (stated as a percentage) that the defaulted principal amount outstanding of such school bears to the matured loans of such school.

"(3) For purposes of this subsection—

"(A) the term 'default' means the failure of a borrower of a loan made under this subpart to—

"(i) make an installment payment when due; or

"(ii) comply with any other term of the promissory note for such loan.

except that a loan made under this subpart shall not be considered to be in default if the loan is discharged in bankruptcy or if the school reasonably concludes from written contacts with the borrower that the borrower intends to repay the loan;

"(B) the term 'defaulted principal amount outstanding' means the total amount borrowed from the loan fund of a school that has reached the repayment stage (minus any principal amount repaid or cancelled) on loans—

"(i) repayable monthly and in default for at least 120 days; and

"(ii) repayable less frequently than monthly and in default for at least 180 days;

"(C) the term 'grace period' means the period of one year beginning on—

"(i) the date on which the borrower ceases to pursue a full-time or half-time course of study at a school of nursing; or

"(ii) the date on which ends any period described in clause (A) or (B) of section 835(b)(2) which is applicable to such borrower, whichever is later; and

"(D) the term 'matured loans' means the total principal amount of all loans made by a school of nursing under this subpart minus the total principal amount of loans made by such school to students who are—

"(i) enrolled in a full-time or half-time course of study at such school; or

"(ii) in their first grade period.".

(b) Section 836(b)(1) is amended—

(1) by striking out "and" before "(B)"; and

(2) by inserting before the period a comma and "and (C) if a student who will enroll in the school after June 30, 1986, is of exceptional financial need (as defined by regulations of the Secretary)".

(c) Section 836(f) is amended—

(1) by inserting "and in accordance with this section" after "Secretary" in the first sentence;

(2) by striking out "may" in such sentence and inserting in lieu thereof "shall"; and

(3) by striking out the second sentence and inserting in lieu thereof the following: "No such charge may be made if the payment of such installment or the filing of such evidence is made within 60 days after the date on which such installment or filing is due. The amount of any such charge may not exceed an amount equal to 6 percent of the amount of such installment.".

(d) Section 836 is amended by adding at the end thereof the following new subsection:

"(k) The Secretary is authorized to attempt to collect any loan which was made under this subpart, which is in default, and which was referred to the Secretary by a school of nursing with which the Secretary has an agreement under this subpart, on behalf of that school under such terms and conditions as the Secretary may prescribe (including reimbursement from the school's student loan fund for expenses the Secretary may reasonably incur in attempting collection), but only if the school has complied with such requirements as the Secretary may specify by regulation with respect to the collection of loans under this subpart. A loan so referred shall be treated as a debt subject to section 5514 of title 5, United States Code. Amounts collected shall be deposited in the school's student loan fund. Whenever the Secretary desires the institution of a civil action regarding any such loan, the Secretary shall refer the matter to the Attorney General for appropriate action.".

(e) Section 838 is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a)(1) The Secretary shall from time to time set dates by which schools of nursing must file applications for Federal capital contributions.

"(2)(A) If the total of the amounts requested for any fiscal year in such applications exceeds the total amount appropriated under section 837 for that fiscal year, the allotment from such total amount to the loan fund of each school of nursing shall be reduced to whichever of the following is the smaller:

"(i) The amount requested in its application.

"(ii) An amount which bears the same ratio to the total amount appropriated as the number of students estimated by the Secretary to be enrolled on a full-time basis in such school during such fiscal year bears to the estimated total number of students enrolled in all such schools on a full-time basis during such year.

"(B) Amounts remaining after allotment under subparagraph (A) shall be reallotted in accordance with clause (ii) of such subparagraph among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund under this paragraph and paragraph (3) from exceeding the total so requested by it.

"(3) Funds which, pursuant to section 839(c) or pursuant to a loan agreement under section 835, are returned to the Secretary in

any fiscal year, shall be available for allotment in such fiscal year and in the fiscal year succeeding the fiscal year. Funds described in the preceding sentence shall be allotted among schools of nursing in such manner as the Secretary determines will best carry out this subpart, except that in making such allotments, the Secretary shall give priority to schools of nursing which established student loan funds under this subpart after September 30, 1975.

"(b) Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.".

(f) Section 839 is amended—

(1) by striking out "1987," each place it appears in subsections (a) and (b) and inserting in lieu thereof "1991,"; and

(2) by adding at the end thereof the following new subsection:

"(c)(1) Within 90 days after the termination of any agreement with a school under section 835 or the termination in any other manner of a school's participation in the loan program under this subpart, such school shall pay to the Secretary from the balance of the loan fund of such school established under section 835, an amount which bears the same ratio to the balance in such fund on the date of such termination as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 835(b)(2)(A) bears to the total amount in such fund on such date derived from such Federal capital contributions and from funds deposited in the fund pursuant to section 835(b)(2)(B). The remainder of such balance shall be paid to the school.

"(2) A school to which paragraph (1) applies shall pay to the Secretary after the date on which payment is made under such paragraph and not less than quarterly, the same proportionate share of amounts received by the school after the date of termination referred to in paragraph (1) in payment of principal or interest on loans made from the loan fund as was determined for the Secretary under such paragraph.".

(g) Subpart II of part B of title VIII is amended by adding at the end thereof the following new section:

"PROCEDURES FOR APPEAL OF TERMINATIONS

"SEC. 842. In any case in which the Secretary intends to terminate an agreement with a school of nursing under this subpart, the Secretary shall provide the school with a written notice specifying such intention and stating that the school may request a formal hearing with respect to such termination. If the school requests such a hearing within 30 days after the receipt of such notice, the Secretary shall provide such school with a hearing conducted by an administrative law judge.".

(h) Section 6103(m) of the Internal Revenue Code of 1954 is amended—

(1) by inserting "administered by the department of education" before the period in the paragraph heading of paragraph (4); and

(2) by adding at the end thereof the following new paragraph:

"(5) Individuals who have defaulted on student loans administered by the department of health and human services—

"(A) In general.—Upon written rquest by the Secretary of Health and Human Services, the Secretary may disclose the mailing address of any taxpayer who has defaulted on a loan made under part C of title VII of the Public Health Service Act or under subpart II of part B of title VIII of such Act, for use only by officers, employees, or agents of the Department of Health and Human Services for purposes of locating such taxpayer for purposes of collecting such loan.

"(B) Disclosure to schools and eligible lenders.—Any mailing address disclosed under subparagraph (A) may be disclosed by the Secretary of Health and Human Services to—

"(i) any school with which the Secretary of Health and Human Services has an agreement under subpart II of part C of title VII of the Public Health Service Act or subpart II of part B of title VIII of such Act, or

"(ii) any eligible lender (within the meaning of section 737(4) of such Act) participating under subpart I of part C of title VII of such Act,

for use only by officers, employees, or agents of such school or eligible lender whose duties relate to the collection of student loans for purposes of locating individuals who have defaulted on student loans made under such subparts for the purposes of collecting such loans.".

REPEALS

SEC. 9. (a)(1) Sections 801, 802, 803, 805, 810, 811, 815, and 841 are repealed.

(2) Subpart III of part B of title VIII is repealed.

(b)(1) Part A of title VIII is amended by striking out the headings for subpart I, II, III, and IV.

(2) The heading for part A of the title VIII is amended to read as follows:

"PART A—SPECIAL PROJECTS".

(3) The heading for title VIII is amended to read as follows:

"TITLE VIII—NURSE EDUCATION".

(c)(1) Section 804 is redesignated as section 858 and is amended to read as follows:

"RECOVERY FOR CONSTRUCTION ASSISTANCE

"SEC. 858. (a) If at any time within twenty years (or within such shorter period as the Secretary may prescribe by regulation for an interim facility) after the completion of construction of a facility with respect to which funds have been paid under subpart I of part A (as such subpart was in effect on September 30, 1985)—

"(1) the owner of the facility ceases to be a public or nonprofit school,

"(2) the facility ceases to be used for the training purposes for which it was constructed, or

"(3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the owner of the facility the base amount prescribed by subsection (c)(1) plus the interest (if any) prescribed by subsection (c)(2).

"(b) The owner of a facility which ceases to be a public or nonprofit school as described in paragraph (1) of subsection (a), or the owner of a facility the use of which changes as described in paragraph (2) or (3) of such subsection shall provide the Secretary written notice of such cessation or change of use not later than 10 days after the date on which such cessation or change of use occurs.

"(c)(1) The base amount that the United States is entitled to recover under subsection (a) is the amount bearing the same ratio to the then value (as determined by the agreement of the parties or in an action brought in the district court of the United States for the district in which the facility is situated) of the facility as the amount of the Federal participation bore to the cost of the construction.

"(2)(A) The interest that the United States is entitled to recover under subsection (a) is the interest for the period (if any) described in subparagraph (B) at a rate (determined by the Secretary) based on the average of the bond equivalent rates of ninety-one-day Treasury bills auctioned during such period.

"(B) The period referred to in subparagraph (A) is the period beginning—

"(1) if notice is provided as prescribed by subsection (b), 191 days after the date on which the owner of the facility ceases to be a public or nonprofit school as described in paragraph (1) of subsection (a), or 191 days after the date on which the use of the facility changes as described in paragraph (2) or (3) of such subsection, or

"(ii) if notice is not provided as prescribed by subsection (b), 11 days after the date on which such cessation or change of use occurs,

and ending on the date the amount the United States is entitled to recover is collected.

"(d) The Secretary may waive the recovery rights of the United States under subsection (a) with respect to a facility (under such conditions as the Secretary may establish by regulation) if the Secretary determines that there is good cause for waiving such rights.

"(e) The right of recovery of the United States under subsection (a) shall not, prior to judgment, constitute a lien on any facility.".

(2) In the case of any facility that was or is constructed on or before the date of enactment of the Act or within 180 days after the date of enactment of this Act, the period described in subsection (c)(2)(B)(i) of section 858 of the Public Health Service Act (as amended by paragraph (1) of this subsection) shall begin no earlier than 181 days after the date of enactment of this Act.

(3) The amendments made by paragraph (1) of this subsection shall not adversely affect other legal rights of the United States.

(d) Section 851(b) is amended by striking out ", and in the review of applications for construction projects under subpart I of part A, of applications under section 805, and of applications under subpart III of part A".

(e) Section 853(1) is amended by striking out "the Canal Zone," and inserting in lieu thereof "the Commonwealth of the Northern Mariana Islands,".

(f) Section 853(6) is amended to read as follows:

"(6) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education, except that a school of nursing seeking an agreement under subpart II of part B for the establishment of a student loan fund, which is not, at the time of the application under such subpart, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed acredited for purposes of such subpart if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the agreement with such school is made under such subpart; except that the provisions of this clause shall not apply for purposes of section 838. For the purpose of this paragraph, the Secretary of Education shall publish a list of recognized accrediting bodies, and of State agencies, which the Secretary of Education determines to be reliable authority as to the quality of education offered.".

EFFECTIVE DATE

SEC. 10. (a) Except as provided in subsection (b), this Act and the amendments and repeals made by this act shall take effect on October 1, 1985.

(b)(1) The provisions of section 9(c) of this act and the amendment made by paragraph (1) of such section shall take effect on the date of enactment of this Act.

(2) The amendment made by section 8(a) of this Act shall take effect June 30, 1984.

V. COMMITTEE VIEWS

Title VIII of the Public Health Service Act, Nurse Training, has proven in its 20 years of existence to be an effective mechanism in alleviating once critical shortages of generalist nurses.

But medical advancements and the growing concern over rising medical costs applied increasing pressure on nursing schools to educate nurses with advanced degrees in the general areas of ad-

ministration, teaching and long-term care; and the specific clinical areas of geriatric, pediatric and community-health nursing.

These circumstances led Congress to seek a new direction for federal support of nurse educaiton programs. The Nurse Training Act Amendments of 1979 mandated a study to:

(1) determine the need to continue a specific program of Federal financial support for nursing education;

(2) determine the reasons nurses do not practice in medically underserved areas and recommend actions to alleviate those problems; and,

(3) recommend ways to encourage nurses to remain in or reenter the nursing profession.

The Institute of Medicine conducted the study, and completed it in early 1983 (Nursing and Nursing Education: Public Policies and Private Actions; Division of Health Care Services, Institute of Medicine, Academic Press, 1983). Its recommendations are the basis for many of the changes in Title VIII programs proposed by S. 1284, the "Nurse Education Amendments of 1985." This bill, reported from Committee on June 28, 1985, reauthorizes Title VIII programs ad continues the increased Federal focus on advanced training with several new initiatives.

S. 1284 is similar to provisions included by the 97th Congress in S. 2574, the "Public Health Service Amendments of 1984," which was vetoed last year. Among the reasons for disapproval of S. 2574, an omnibus reauthorization, was the following:

> . . . S. 2574 would continue to increase obsolete subsidies to health professions students . . . Although there may be some shortages of physicians and nurses in particular areas of the country, the Nation as a whole is facing a future surplus—not shortage—of physicians and nurses. Under these circunstances, S. 2574, a bill which continues excessive taxpayer subsidies to health professionals . . . cannot be justified.

However, S. 1284 represents a new focus, recognizing that technology and increasing medical knowledge have created a vast need for nurses with specialized training in administration, research, primary care, geriatrics, pediatrics, home and community-based nursing, and many other areas of our health care system.

This new focus originates in the Nurse Training Act Amendments of 1979's mandate for a study on the future of nursing and nurse education and the report of that Institute of Medicine study, a 300-page document containing some 21 recommendations to Congress regarding nursing practice and nursing education.

The report recommends that there be no Federal support to increase the overall supply of nurses, but that certain Federal, State, and private actions be undertaken to alleviate particular shortages and needs. It is this philosophy which forms the general focus of S. 1284.

To accomplish this goal, the Committee recommends several program changes to be implemented by States.

SPECIAL PROJECTS

Section 3 of S. 1284, Special Projects, gives the Secretary authority to make grants or to enter into contracts with public or private schools of nursing and other entities to carry out projects relating to training and utilization of nursing personnel. This section amends Public Health Service (PHS) Act Section 820, which has authorized support for programs to: provide for educational assistance to individuals from disadvantaged backgrounds; improve career advancement opportunities for graduates of associate degree and diploma schools and for licensed practical nurses; to provide continuing education, and for other purposes. S. 1284 adds an additional purpose to Sec. 820.

This new subsection would provide grants and contracts for the purpose of demonstrating:

(1) More effective means of facilitating the transition of students in schools of nursing to nursing practice.

(2) Methods to improve access to nursing services through support of nurse practice arrangements in communities; and

(3) Means of encouraging nursing graduates to practice in areas with shortages of health personnel.

The IOM study reports that "inadequate collaboration between nurse educators and employers has resulted in dissatisfaction among both groups. Employers feel that many newly licensed nurses are unprepared to assume the responsibilities of clinical nursing, and some nurse educators believe that employers are unprepared to make optimum use of the knowledge and skills that their graduates bring to the job. Collaborative arrangements of various kinds have successfully brought together educators and employers of nurses for their mutual benefit and for improved patient care."

The Committee concurs with the recommendation of the IOM study that closer "collaboration between nurse educators and nurses who provide patient services is essential to giving students an appropriate balance of academic and clinical practice perspectives and skills during their educational preparation."

Though generalist nursing shortages may have diminished, the need for nursing care in rural and urban underserved areas still remains. The American Association of Colleges of Nursing testified before the Labor and Human Resources Committee in 1984 and reported the following in written testimony: "Various forms of outreach programs can be designed to suit the requirements and needs of students who, for reasons of family, residence, or the need to continue employment while studying cannot readily attend existing campus programs. As well as improving the access to nursing services in the community, these (demonstration) projects will improve the geographic and specialty distribution of manpower."

Faculty Fellowships

The IOM Study reported that state boards of nursing were increasingly requiring that the deans and faculty of nursing schools hold graduate degrees. However, low numbers of nursing faculty with advanced degrees, particularly doctorates, suggests a scarcity of nurse faculty with adequate academic credentials to meet those

requirements. The Committee's bill amends Section 821 of the PHS Act and creates a fellowship program that allows nursing faculty to apply for funds to continue their teaching responsibilities while pursuing research and other related activities.

Nurse Practitioners and Nurse Midwives

The Committee's bill revises the authority for nurse practitioner programs to authorize grants and contracts for schools of nursing and public health, medicine, hospitals, and other entities to (1) plan, develop and operate; (2) expand; or (3) maintain programs for the education of nurse practitioners as well as nurse midwives. The bill requires the Secretary to give special consideration to applications for the education of nurse practitioners and nurse midwives who will practice in health manpower shortage areas and for the education of nurse practitioners which emphasize the special problems and needs of geriatric patients, nursing home patients, and patients confined to home.

The Committee's bill also expands the authority for nurse practitioner traineeships to include traineeships for nurse midwives. The Committee finds that certified nurse-midwives play a vital role in caring for women, infants, and families in the United States and that certified nurse-midwives are playing an increasingly significant role in reduction of health care costs through innovations in women's health care. The Committee recommends that the Bureau of Nursing, to the extent possible, use its authority under Title VIII to increase the number of nurse-midwives who graduate each year, either through increasing the capacity of existing education programs or through assistance to new nurse-midwifery education programs.

Nursing Student Loans

On December 8, 1981, the Senate Committee on Governmental Affairs held a hearing on debt collection in the health professions. As part of this hearing, the General Accounting Office (GAO) testified on the repayment of loans made under the Health Professions and Nursing Student Loan programs, based on its review of 23 schools participating in these programs. In its testimony, the GAO identified a number of deficiencies in the manner in which schools and the Federal Government were administering the NSL Program. The major areas of concern were the lack of compliance by schools with sound loan collections procedures (which resulted in high delinquency rates), the existence of excess cash balances in the schools' revolving loan funds, and deficient recordkeeping. The GAO findings were supported by a Department of Health and Human Services (HHS) analysis of a number of assessments conducted at participating schools.

In response to the concerns raised by the Senate committee, the GAO findings, and the HHS analysis, nursing schools have undertaken various activities designed to improve the management of the NSL program. Each nursing school which had a high delinquency rate has developed a written Action Plan which identifies procedures that the school has implemented to assist in reducing its delinquency rate to an acceptable level. In addition, since June 30, 1982, every nursing school has conducted a quarterly review of

its need for the cash available in its NSL revolving loan fund, and has immediately remitted to HHS any monies determined to be in excess of the school's needs. The heightened awareness among the nursing schools of the need to follow sound loan collection procedures and of the importance of closely monitoring the NSL fund has resulted in improvements in the overall management of the NSL program.

On June 3, 1983, the Department of Health and Human Services released a notice of proposed rule-making which, along with other changes in the regulations regarding student loans, set delinquency rates for nursing student loan programs at 5 percent. After receiving numerous comments regarding these proposed regulation changes, the Department determined to postpone the final rule-making process. The Committee strongly supports the efforts the Department has made to improve the nursing student loan program. It also recognizes and commends nursing schools nationwide for their efforts to reduce delinquency rates and increase the efficiency of their loan collection program.

However, further statutory changes were considered and adopted, which reflect:

(1) the need to measure a school's compliance with loan regulations by a standard which is reasonable and achievable for educational institutions;

(2) computation of delinquency rates to include only that portion of the loan/loans which is overdue; and

(3) development of program guidelines which recognize the efforts schools have made to decrease delinquency and provide fair and attainable performance standards.

The Committee understands that a considerable proportion of delinquent borrowers under the Nursing Student Loan program may be individuals who did not complete their training or who have failed to pass State licensing examinations. For example, a recent survey of baccalaureate and higher degree nursing schools indicated an overall median loan delinquency rate for schools responding to the survey of 11.11 percent (using dollars as a base), compared to a median rate of 6.17 percent excluding borrowers who did not graduate or did not pass State board examinations.

Although the efforts of the nursing schools thus far have resulted in noticeable reductions in the level of delinquency in the NSL program, and although the Senate Committee on Governmental Affairs expressed pleasure in June 1982 at the progress made by nursing schools in improving program management in a short period of time, the delinquency rates at many of the nursing schools indicate that there is still a need for further improvements in the collection of nursing student loan funds. Not only should individuals repay their debts as a matter of principle, but also the availability of loans for future nursing students depends on the return of earlier loans to the schools' revolving funds.

To strengthen the ability of the schools to locate delinquent borrowers, the Committee bill would permit disclosure to the schools of taxpayer addresses of individuals who have defaulted on Nursing Student Loans. Under existing law, the Secretary of the Treasury may disclose taxpayer addresses to Federal agencies to assist in efforts to collect or compromise claims of the Federal Government.

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Because Nursing Student Loans are owed to schools, not the Government, special authority is needed to allow disclosure of addresses to the schools. The Committee bill would provide this authority.

To supplement schools' revolving loan funds, the Committee bill would allow certain monies returned from school loan funds because of the termination of programs, as "excess cash," or for other reasons, to be redistributed to other school loan programs, with priority to loan programs established after September 30, 1975. Under existing law, such "excess cash" must be returned to the U.S. Treasury. Newer loan programs have had less opportunity to build up revolving loan capital than have schools participating in the programs for a longer period.

In addition, the Committee's bill adds language to the NSL authority to clarify that loans are to be made to students with exceptional financial need.

Through a revision offered by Senator Simon during staff markup, the student loan provisions were changed to ensure that the Administration's regulations define default parallel to the definitions currently used in the National Direct Student Loan Program. This will ease schools' administrative burdens by allowing them to use the same system for computing the delinquency rate for all federal direct student loan programs. The amendment will result in a more equitable measure of delinquency by counting loans in default after at least 120 days and giving schools credit for successful loan collections. The Committee believes that this delinquency calculation provides a loan default formula which is as equitable and reasonable as the loan collection performance standards which it is designed to measure.

Nurse Anesthetists

The Committee's bill includes a new Section 831(b) authorizing support to improve existing nurse anesthesia education programs. The provision would enable faculty to receive traineeships in order to obtain advanced degrees at the masters or doctoral level. There is a substantial need to expand the numbers of qualified teachers in nurse anesthesia and this traineeship program would assist in achieving that goal. The provision would also authorize grants for other projects such as curriculum development which would result in improving the quality of existing education programs.

Licensed Practical Nurses

The committee is aware that a great deal of traditional nursing care is provided by licensed practical nurses. These health professionals, who render basic care services, contribute in a major way to the health and well being of hospitalized patients.

With respect to projects meeting purpose (5), the Committee wishes to clarify that support may be provided for the development, expansion, or modification of curricular leading to an associate degree in nursing that will meet requirements for licensure of practical or vocational nurses.

VI. Budget Estimate

U.S. Congress,
Congressional Budget Office,
Washington, DC, July 1, 1985.

Hon. Orrin G. Hatch,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached cost estimate for S. 1284, the Nurse Education Amendments of 1985, as ordered reported by the Senate Committee on Labor and Human Resources on June 27, 1985.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

Rudolph G. Penner,
Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 1284.
2. Bill title: Nurse Education Amendments of 1985.
3. Bill status: As ordered reported by the Senate Committee on Labor and Human Resources on June 27, 1985.
4. Bill purpose: To amend title VIII of the Public Health Service Act, relating to nurse education.
5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1986	1987	1988	1989	1990
Authorization levels:					
Renewed special projects	9.5	9.5	9.5	.....	.....
New special projects	2.7	2.7	2.7	.....	.....
Advanced Nurse education	16.5	17.0	17.5	.....	.....
Nurse Practitioner and Midwife Program	12.0	12.0	12.0	.....	.....
Traineeships	11.5	12.3	13.0	.....	.....
Faculty fellowships	1.1	1.1	1.1	.....	.....
Nurse anesthetists	0.8	0.8	0.8	.....	.....
Total authorization levels	54.1	55.4	56.6	.....	.....
Estimated outlays:					
Renewed special projects	2.5	7.3	9.1	7.0	2.2
New special projects	0.7	2.1	2.6	2.0	0.6
Advanced nurse education	4.4	12.9	16.3	12.7	4.0
Nurse Practitioner and Midwife Program	3.2	9.3	11.5	8.8	2.7
Traineeships	3.0	9.1	11.8	9.4	2.9
Faculty fellowships	0.3	0.8	1.1	0.8	0.3
Nurse anesthetists	0.2	0.6	0.8	0.6	0.2
Total estimated outlays	14.3	42.1	53.2	41.3	12.9

The costs of this bill fall within function 550.

Basis of estimate: All authorization levels are stated in the bill. We assume authorized amounts are fully appropriated at the be-

ginning of each fiscal year. Outlays are estimated using spendout rates computed by CBO on the basis of recent program data.

This bill would reauthorize nursing education programs for three years. It would also allow the federal government to attempt to collect any loan in default made from Nursing Student Loan program revolving funds. Amounts collected would be put back into the nursing school's revolving loan fund. The federal government could incur the costs of attempting loan collection. CBO expects these costs to be less than $500,000 in each fiscal year.

6. Estimated cost to State and local governments: The budgets of state and local governments will not be affected directly by the enactment of this bill.

7. Estimate comparison: CBO prepared an estimate on June 3, 1985 for H.R. 2370, the Nurse Education Act of 1985, as ordered reported by the House Committee on Energy and Commerce. That bill reauthorized nursing education programs for three years. The programs and amounts authorized in both bills differ.

8. Previous CBO estimate: None.

9. Estimate prepared by: Carmela Pena.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

VII. Administration Views

The Secretary of Health and Human Services,
Washington, DC, July 8, 1985.

Hon. Orrin G. Hatch,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

Dear Mr. Chairman: This is in response to your request for reports on S. 1283 and S. 1284, bills that would reauthorize health professions and nurse training subsidies.

In summary, we strongly oppose these bills as currently drafted, with their emphasis on maintaining obsolete Federal training subsidies designed to meet health professions shortages of the 1960s—not the surpluses of the 1980s. With excessive authorizations totalling nearly $600 million above the Administration's proposals for fiscal years 1986, 1987, and 1988, these bills perpetuate a rigid Federal categorical grant framework.

Our proposals target health professions funds on needy students through improvements in the Health Professions and Nursing Student Loan programs. Moreover, the Administration proposes to continue the Health Education Assistance Loan (HEAL) program with new loan commitment levels totalling $300 million for fiscal years 1986 through 1988.

The ability of our nation's health professions schools to supply our society with health professionals has changed dramatically in the last 20 years, thus decreasing Federal funding requirments instead of increasing them. After two decades of massive Federal subsidies, the nation as a whole has met or exceeded the estimated required level of health professionals in nearly every major specialty. Since 1965, physician supply has increased 56 percent; since 1960, the number of full-time employed nurses has increased from 231 per 100,000 population to 349 per 100,000 population—a 51 percent

increase. Coupled with these past growth trends, productivity remains high. Our 127 medical schools now produce nearly 16,000 new doctors per year, nearly double the level of the early 1970s. Within a decade, physicians supply is estimated to grow another 52 percent, to nearly 685,000.

All major studies of supply and demand of health professionals conclude that virtually all health professions occupations are in excess supply and that supply gowth will continue to outstrip demand increases for the remainder of the decade. Thus, categorical training subsidies included in S. 1283 and S. 1284 are no longer required. We believe that an automatic extension of programs to satisfy narrow special interests without any public hearings in not in the best interest of the nation. As you know, last October the President did not approve a similar reautorization bill.

Althoug S. 1283 addresses certain needed improvements in the HEAL program recently recommended by our Inspector General's report, the excessive loan commitment levels authorized represent the wrong approach as we attempt to stabilize the program against rising defaults. S. 1283 authorizes new loan commitments of $865 million for fiscal years 1986 through 1988, $500 million or nearly 300% over the level proposed by the Administration. As the Department's Inspector General reported, the HEAL default rate could rise to 10 to 15 percent within the next 5 years unless program operations are significantly improved. This is not the time to add unnecessarily to the level of outstanding guarantees that will already exceed $950 million by the end of fiscal year 1985 as efforts continue to overcome current program shortcomings.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report and that enactment of S. 1283 or S. 1284 in their present form would not be consistent with the Administration's objectives.

Sincerely,

MARGARET M. HECKLER,
Secretary.

VIII. REGULATORY IMPACT STATEMENT

Pursuant to Section 602 of Senate Resolution 4 concerning the regulatory impact of proposed legislaiton, the Committee provides the following evaluation of the anticipated additional paperwork and other regulatory impact that would result from the implementation of S. 1284.

The Committee has determined that there will be minimal increase in regulatory burden or paperwork imposed by this bill. However, now programs instituted by S. 1284, such as faculty fellowships and demonstration authority under Section 820, Special Projects, and re-definition of loan default formulas may produce some additional paperwork, time, and cost. This would be associated with the initial structuring of the center, the preparation and filing of applications for grants and contracts under these new authorities, and the development of the new loan delinquency formulas.

IX. Section-by-Section Analysis

Section 1 establishes the title of the bill as the Nurse Education Amendments of 1984.

REFERENCE

Section 2 provides that, except when otherwise specifically indicated any amendment or repeal contained in the bill is made to a section or other provision of the Public Health Service Act.

SPECIAL PROJECTS

Section 3 reauthorizes the nursing special projects program providing grants and contracts for: (1) increasing nursing education opportunities for individuals from disadvantaged backgrounds; (2) providing continuing education for nurses; (3) providing appropriate retraining opportunities for nurses; (4) helping to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel; and (5) providing training and education to upgrade the skills of licensed vocational or practical nurses, nurse assistants, and other paraprofessional nursing personnel. For these projects, the bill authorizes $9.5 million each year for fiscal years 1986, 1987, and 1988.

Section 3 also adds three new purposes for which grants and contracts may be awarded under the special projects authority: (1) demonstrating clinical nurse training programs which combine educational curricula and clinical practice in health care delivery organizations, including acute care facilities, long-term care facilities, and ambulatory care facilities; (2) improve access to nursing services in non-institutional settings through support of nursing practice arrangements in communities; or (3) encourage nursing graduates to practice in health manpower shortage areas, to improve specialty geographical distribution of nurses in the United States. For these projects, the bill authorizes $2.7 million each year for fiscal years 1986, 1987, and 1988, and requires that the Secretary give priority to applications for projects to improve access to nursing services in non-institutional settings.

ADVANCED NURSE EDUCATION

Section 4 revises the advanced nurse education program to authorize grants to and contracts with public and private nonprofit collegiate schools of nursing to: (1) plan, develop, and operate; (2) expand; or (3) maintain programs which lead to master and doctoral degrees and which prepare professional nurses to serve as nurse educators, administrators, researchers, or to serve in clinical nurse specialties determined by the Secretary to require advanced education. The bill authorizes $16.5 million for FY 1986, $17.5 million for FY 1987, and $17.5 million for FY 1988.

NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS

Section 5 revises the authority for nurse practitioner programs to authorize grants and contracts for schools of nursing and public health, schools of medicine which received grants or contracts

under this authority before Oct. 1, 1985, public or nonprofit hospitals, and other public or nonprofit entities to meet the cost of projects to: (1) plan, develop, and operate; (2) expand; or (3) maintain programs for the education of nurse practitioners and nurse midwives. The Secretary shall give special consideration to grant or contract applications for programs for education of nurse practitioners and nurse midwives to practice in health manpower shortage areas and for the education of nurse practitioners emphasizing education on the special problems of geriatric patients and education on the particular needs of nursing home patients and patients confined to their homes.

In addition, this section extends the authority for nurse practitioner traineeships and expands the authority to make the program available for traineeships to educate nurse midwives. Institutions eligible for the program include schools of nursing and public health, schools of medicine which received grants under the program before Oct. 1, 1985 public or nonprofit hospitals, and other nonprofit entities.

Section 5 authorizes appropriations of $12 million each year for fiscal years 1986, 1987, and 1988, for education of nurse practitioners and nurse midwives.

TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES

Section 6 revises the authority for traineeships for the advanced education of professional nurses to authorize the Secretary to make grants to public and private nonprofit schools of nursing and public health, public or nonprofit hospitals, and other public or nonprofit entities to cover the cost of traineeships for nurses in master's and doctoral degree programs to educate such nurses to serve in and prepare for practice as: (1) nurse practitioners, and nurse midwives; (2) nurse administrators, nurse educators, and nurse researchers; and (3) other professional nursing specialities determined by the Secretary to require advanced training. It also provides an authority to the Secretary to make grants to cover the costs of post baccalaureate fellowships for faculty in schools of nursing to enable such faculty to: (1) investigate cost-effective alternatives to traditional health care modalities, with special attention to the needs of at-risk populations, such as the elderly, premature newborns, physically and mentally disabled individuals, and ethnic minority groups; (2) examine nursing interventions that result in positive outcomes in health status, with attention to interventions which address family violence, drug and alcohol abuse, the health of women, adolescent care, and disease prevention; and (3) address other areas of nursing practice considered by the Secretary to require additional study.

The bill authorizes for these traineeships $11.5 million for FY 1986, $12.25 million for FY 1987, and $13 million for FY 1988, and authorizes for faculty fellowships $1.1 million each for fiscal years 1986, 1987, and 1988.

NURSE ANESTHETISTS

Section 7 extends the authority for traineeships for training of nurse anesthetics and adds new authority for grants to public or

private non-profit institutions to cover the cost of projects to improve existing programs for the education of nurse anesthetists, such grants shall include grants to such institutions for the purpose of providing financial assistance and support to certified registered nurse anesthetists who are faculty members of accredited programs to enable such persons to obtain advanced education relevant to their teaching functions. The bill authorizes for the revised authority $800,000 each for fiscal years 1986, 1987, and 1988, and provides that not more than 20 percent of the appropriation in a fiscal year may be used for grants to assist nurse anesthetist faculty members to obtain advanced education and relevant to their teaching functions.

NURSING STUDENT LOANS

Section 8 extends and amends the nursing student loan program. It adds language to require that loans may be made only to students of exceptional financial need. It also authorizes the Secretary to attempt to collect loans made under this program which are in default and describes procedures to do so.

Section 8 revises the method by which new capital contributions to schools' loan funds are to be allocated: If the total amount requested by schools exceeds available appropriations, a school's allotment would be reduced to the smaller of (A) the amount requested by the school or (B) an amount which bears the same ratio to the total amount appropriated as the number of students estimated by the Secretary to be enrolled in the school on a full-time basis bears to the estimated total number of full-time students enrolled in all nursing schools during the relevant fiscal year. In addition, this section of the bill requires the Secretary to allot to schools of nursing amounts returned to the Secretary from terminated loan funds and excess amounts collected by schools and to give schools of nursing which established student loan funds after September 30, 1975 priority in the allotment of these funds. The section also describes procedures for a school of nursing to follow in order to appeal a decision by the Secretary to terminate an agreement with the school under this student loan program.

Section 8 also amends section 6103(m) of the Internal Revenue Code of 1954 to authorize the Secretary of Treasury to disclose to the Secretary of the Department of Health and Human Services (DHHS) the address of those persons who have defaulted on nursing student loans and allows the Secretary of DHHS to disclose this information to nursing schools to assist them in the collection of defaulted loans.

REPEALS

Section 9 repeals in title VIII sections 801–803 (construction grant provisions), section 805 (loan guarantees and interest subsidies for construction), section 810 (capitation grants), section 811 (general provisions for applications for grants), section 815 (financial distress grants), section 841 (transfers to scholarship program), and subpart III of part B of title VIII (scholarship grants to schools of nursing). This section makes other technical and conforming changes to title VIII.

Section 9 also redesignates section 804 (Recapture of Payments) as section 858 (Recovery for Construction Assistance) and expands procedures for the U.S. to recover funds paid as nursing school construction assistance if the facility ceases to be a public or nonprofit school, the facility ceases to be used for the training purposes for which it was constructed, or the facility is used for sectarian instruction or religious worship.

EFFECTIVE DATE

Section 10 specifics the effective date of the biil as October 1. 1985, except that the provisions of section 858 of the Act (as redesignated by section 9 of the bill) relating to recovery for construction assistance shall take effect on the date of enactment.

X. Changes in Existing Law

In compliance with rule XXVI paragraph 12 of the Standard Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Public Health Service Act

* * * * * * *

[TITLE VIII—NURSE TRAINING]

TITLE VIII—NURSE EDUCATION

[Part A—Assistance for Expansion and Improvement of Nurse Training]

Part A—Special Projects

[Subpart I—Construction Assistance]

[AUTHORIZATION OF APPROPRIATIONS FOR CONSTRUCTION GRANTS]

[Sec. 801. There are authorized to be appropriated for grants to assist in the construction of new facilities for collegiate, associate degree, or diploma schools of nursing, and for grants to assist in the replacement or rehabilitation of existing facilities for such schools, $35,000,000 for the fiscal year ending June 30, 1972, $40,000,000 for the fiscal year ending June 30, 1973, $45,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975, $20,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, $20,000,000 for fiscal year 1978, and $2,000,000 for the fiscal year ending September 30, 1980.

[APPROVAL OF APPLICATIONS FOR CONSTRUCTION GRANTS

[Sec. 802. (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications for grants under this subpart for any fiscal year must be filed.

[(b) A grant for a construction project under this subpart may be made only if the application therefor is approved by the Secretary upon his determination that—

[(1) the applicant is a public or nonprofit private school of nursing providing an accredited program of nursing education;

[(2) the application contains or is supported by reasonable assurances that (A) for not less than twenty years (or in the case of interim facilities, within such shorter period as the Secretary shall by regulation prescribe) after completion of construction, the facility will be used for the purposes of the training for which it is to be constructed, and will not be used for sectarian instruction or as a place for religious worship, (B) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, (C) sufficient funds will be available, when construction is completed, for effective use of the facility for the training for which it is being constructed, and (D) in the case of an application for a grant for construction to expand the training capacity of a school of nursing, the first-year enrollment at such school during the first full school year after the completion of the construction and for each of the nine years thereafter will exceed the highest first-year enrollment at such school for any of the five full school years preceding the year in which the application is made by at least 5 per centum of such highest first-year enrollment, or by five students, whichever is greater, and the requirements of this clause (D) shall be in addition to the requirements of section 810(c) of this Act, where applicable;

[(3)(A) in the case of application for a grant for construction of a new facility, such application is for aid in the construction of a new school of nursing, or construction which will expand the training capacity of an existing school of nursing, or (B) in the case of an application for a grant to assist in the replacement or rehabilitation of existing facilities, such application is for aid in construction which will replace or rehabilitate facilities of, or used by, an existing school of nursing, which facilities either are so obsolete as to require the school to curtail substantially either its enrollment or the quality of the training provided or are required to meet an increase in student enrollment;

[(4) the plans and specification s are in accordance with regulations relating to minimum standards of construction and equipment; and

[(5) the application contains or is supported by adequate assurances that all laborers and mechanics employed by contractors or subcontractors in the performance work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

Before approving or disapproving an application for a construction project under this subpart, the Secretary shall secure the advice of the National Advisory Council on Nurse Training established by section 851.

[(c) In considering applications for grants, the Council and the Secretary shall take into account—

[(1)(A) in the case of a project for a new school or the expansion of the facilities of an existing school, the relative effectiveness of the proposed facilities (i) in expanding the capacity for the training of first-year students of nursing in the field involved and in promoting an equitable geographical distribution of opportunities for such training (given due consideration to population, relative unavailability of nurses of the kind to be trained by such school, and available resources in various areas of the Nation for the training of such nurses), or (ii) in expanding the capacity of the school to provide graduate training; or

[(B) in the case of a project for replacement or rehabilitation of existing facilities of a school, the relative need for such replacement or rehabilitation to prevent curtailment of the school's enrollment or deterioration of the quality of the training provided by the school, and the relative size of any such curtailment and its effect on the geographical distribution of opportunities for training in the field of nursing involved (giving consideration to the factors mentioned in subparagraph (A)); and

[(2) in the case of an applicant in a State which has in existence a State or local area agency involved with planning for nurse training facilities, or which participates in a regional or other interstate agency involved with planning for nurse training facilities, the relationship of the application to the construction or training program which is being developed by such agency or agencies and, if such agency or agencies have reviewed such application, any comment thereon submitted by them.

AMOUNT OF CONSTRUCTION GRANT; PAYMENTS

[SEC. 803. (a) The amount of any grant for a construction project under this subpart shall be such amount as the Secretary determines to be appropriate after obtaining the advice of the National Advisory Council on Nurse Training; except that—

[(1) in the case of a grant—

[(A) for a project for a new school,

[(B) for a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations or

[(C) for a project for major remodeling or renovation of an existing facility where such project is required to meet an increase in student enrnollment,

the amount of such grant may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and

[(2) in the case of a grant for any other project, the amount of such grant may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effecuate the purposes of this subpart, exceed 67 per centum of the necessary cost of construction, as so determined, of the project with respect to which the grant is made.

[(b) Upon approval of any application for a grant for a construction project under this subpart, the Secretary shall reserve, from any appropriation available therefor, the amount of such grant as determined under subsection (a); the amount so reserved may be paid in advance or by way of reimbursement, and in such installments consistent with construction progress, as the Secretary may determine. The Secretary's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of construction of the facility.

(c) In determining the amount of any such grant under this subpart, there shall be excluded from the cost of construction an amount equal to the sum of (1) the amount of any other Federal grant which the applicant has obtained, or is assured of obtaining, with respect to the construction which is to be financed in part by grants authorized under this part, and (2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.]

* * * * * * *

LOAN GUARANTEES AND INTEREST SUBSIDIES

[SEC. 805. (a) In order to assist nonprofit private schools of nursing to carry out construction projects for training facilities the Secretary may, during the period beginning July 1, 1971, and ending with the close of September 30, 1980, guarantee (in accordance with this section and subject to subsection (f)) to non-Federal lenders or the Federal Finanancing Bank making loans to such schools for such construction projects payment when due of the principal of and interest on any loan for construction of such facilities if the loan was made to a school which is eligible (as determined under regulations of the Secretary) for a grant under this subpart to assist a construction project for such facilities. The Secretary may make commitments, on behalf of the United State, to make such loan guarantees prior to the making of such loans. No such loan guarantee may except under such special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant for construction under this subpart or any other law of the United States, exceeds 90 per centum of the cost of construction of the projects.

[(b) In the case of any nonprofit private school of nursing which is eligible (as determined under regulations of the Secretary) for a grant under this subpart to assist a construction project for training facilities, and to whom a loan has been made by a non-Federal lender or the Federal Financing Bank to assist it in carrying out such project, the Secretary, during the period beginning July 1, 1971, and ending with the close of September 30, 1980, may, subject

to subsection (f), pay to the holder of such loan (and for and on behalf of the school which received such loan) amounts sufficient to reduce by not to exceed 3 per centum per annum the net effective interest rate otherwise payable on such loan.

[(c) A loan guarantee or interest subsidy payment may be made under this section only upon an application (submitted in such manner and containing such information as the Secretary may by regulations require) approved by the Secretary. The Secretary may not approve an application for a loan guarantee or interest subsidy payment unless he determines that the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States. The Secretary may not approve an application for a loan guarantee, unless he determines that the loan would not be available on reasonable terms and conditions without the guarantee under this section.

[(d)(1) The United States shall be entitled to recover from any school of nursing for whom a loan guarantee was made under this section the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

[(2) To the extent permitted by paragraph (3), any terms and conditions applicable to a loan guarantee under this section may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

[(3) Any loan guarantee made by the Secretary pursuant to this section shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person.

[(e) There is established in the Treasury a loan guarantee and interest subsidy fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, (1) to enable him to discharge his responsibilities under guarantees issued by him under this section, and (2) for interest subsidy payments authorized by this section. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund; except that the amount appropriated for interest subsidy payments may not exceed $1,000,000 in the fiscal year ending June 30, 1972, $2,000,000 in the fiscal year ending June 30, 1973, $4,000,000 in the fiscal year ending June 30, 1974, or in the next fiscal year, $1,000,000 in fiscal year 1976, $1,000,000 in fiscal year 1977, and $1,000,000 in fiscal year 1978 and in each of the next two fiscal years. There shall also be deposited in the fund amounts received

by the Secretary or other property or assets derived by him from his operations under this section, including any money derived from the sale of assets. If at any time the sums in the fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this section or to make interest subsidy payments authorized by this section, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he may use a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

[(f)(1) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section may not exceed such limitations as may be specified in appropriation Acts.

[(2) In any fiscal year no loan guarantee may be made under subsection (a) and no agreement to make interest subsidy payments may be entered into under subsection (b) if the making of such guarantee or the entering into of such agreement would cause the cumulative total of—

[(A) the principal of the loans guaranteed under subsection (a) in such fiscal year, and

[(B) the principal of the loans for which no guarantee has been made under subsection (a) and with respect to which an agreement to make interest subsidy payments is entered into under subsection (b) in such fiscal year.

to exceed the amount of grant funds obligated under this subpart in such fiscal year for construction grants; except that this paragraph shall not apply if the amount of grant funds so obligated in such fiscal year equals the sums appropriated for such fiscal year under section 801.

[(g) The Secretary, with the consent of the Secretary of Housing and Urban Development, may obtain from the Department of Housing and Urban Development such assistance with respect to

the administration of this section as will promote efficiency and economy thereof.]

[Subpart II—Capitation Grants

[CAPITATION GRANTS

[SEC. 810. (a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of nursing for the support of the education programs of such schools. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

[(1) Each collegiate school of nursing shall receive $400 for each undergraduate full-time student enrolled in each of the last two years of such fiscal year.

[(2) each associate degree school of nursing shall receive (A) the product of $275 and one-half of the number of full-time students enrolled in he first year of such school in such fiscal year, and (B) $275 for each full-time student enrolled in the last year of such school in such fiscal year.

[(3) Each diploma school of nursing shall receive $250 for each full-time student enrolled in such school in such fiscal year.

[(b) APPORTIONMENT OF APPROPRIATIONS.—If the total of the grants to be made under subsection (a) for any fiscal year to schools with approved applications exceeds the amounts appropriated under subsection (f) for such grants, the amount of the grant for that fiscal year to each school shall be an amount which bears the same ratio to the amount determined for the school for that fiscal year under subsection (a) as the total of the amounts appropriated under subsection (f) for that year bears to the amount required to make grants to each school in accordance with subsection (a).

[(c)(1) REQUIREMENTS FOR GRANTS.—The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

[(A) the first-year enrollment of full-time students in the school in the school year beginning in the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year; and

[(B) that the school will expend in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purposes (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought.

The requirement of subparagraph (A) shall be in addition to the requirements of section 802(b)(2)(D), where applicable.

[(2) The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless one of the following requirements is met:

[(A) The application for such grant shall contain or be supported by reasonable assurances satisfactory to the Secretary that for the school year beginning in the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

[(i) by 10 per centum of such number if such number was not more than one hundred, or

(ii) by 5 per centum of such number, or ten students whichever is greater, if such number was more than one hundred.

(B) The school has provided reasonable assurance satisfactory to the Secretary that it will carry out, in accordance with a plan submitted by the school to the Secretary and approved by him, at least two of the following programs in the school year beginning in the school year in which such grant is to be made and in each school year thereafter beginning in a school year in which such a grant is made:

[(i) In the case of collegiate schools of nursing a program for the the training of nurse practitioners (as defined in section 822).

[(ii) A program under which students enrolled in a school of nursing will receive a significant portion of their clinical training in community health centers, long-term care facilities, and ambulatory care facilities geographically remote from the main site of the teaching facilities of the school.

[(iii) A program for the continuing education of nurses which meets needs identified by appropriate State, regional, of local health or eductional entire (including health systems agencies).

[(iv) A program to identify, recruit, enroll, retain and graduate individuals from disadvantaged backgounds (as determined in accordance with criteria prescribed by the Secretary) under which program at least 10 per centum of each year's entering class (or ten students, whichever is greater) is comprised of such individuals.

[(d) ENROLLMENT AND GRADUATION DETERMINATIONS.—

[(1) For purposes of this part and part D, regulations of the Secretary shall include provisions relating to determination of the number of students enrolled in a school, or in a particular year-class in a school, or the number of graduates, as the case may be, on the basis of estimates or on the basis of the number of students who were enrolled in a school, or in a particular year-class in a school, or were graduates, in an earlier year, as the case may be, or on such basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

(2) For purposes of this part and part D, the term "full-time student" (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study in an accredited program in a school of nursing.

[(e) APPLICATION FOR NEW SCHOOLS.—In the case of a new school of nursing which applies for a grant under this section in the fiscal year preceding the fiscal year in which it will admit its first class, the enrollment for purposes of subsection (a) shall be the number of full-time students which the Secretary determines, on the basis of assurance provided by the school, will be enrolled in the school, in the fiscal year after the fiscal year in which the grant is made.

[(f) AUTHORIZATION OF APPROPRIATIONS.—

[(1) There are authorized to be appropriated $78,000,000 for the fiscal year ending June 30, 1972, $82,000,000 for the fiscal year ending June 20, 1973, $88,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975, $50,000,000 for fiscal year 1976, $55,000,000 for fiscal year 1977, $55,000,000 for fiscal year 1978, and $24,000,000 for the fiscal year ending September 30, 1980, for grants under this section.

[(2) No funds appropriated under any provision of this Act (other than this subsection) may be used to make grants under this section.]

APPLICATIONS FOR GRANTS

[SEC. 811. (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications under this subpart for any fiscal year must be filed.

[(b) The Secretary shall not approve or disapprove any application for a grant under this subpart except after consultation with the National Advisory Council on Nurse Training.

[(c) A grant under this subpart may be made only if the application therefor—

(1) is from a public or nonprofit private school of nursing;

(2) contains such additional information as the Secetary may require to make the determinations required of him under this subpart and such assurances as he may find necessary to carry out the purposes of this subpart; and

[(3) provides for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subpart.]

[Subpart III—Financial Distress Grants

[FINANCIAL DISTRESS GRANTS

[SEC. 815. (a) The Secretary may make grants to assist public or nonprofit private schools of nursing which are in serious financial straits to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements. Any such grant may be

made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the source or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary , and (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant information.

[(b)(1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training.

[(2) An application for a grant under subsection (a) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expand in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation with the National Advisory Council on Nurse Training, waive the requirement of the preceding sentence with respect to any school if he determines that the application of such of such requirement to such school would be inconsistent with the purposes of subsection (a).

[(c) For payments under grants under this section there are authorized to be appropriated $5,000,000 for fiscal year 1976, $5,000,000 for fiscal year 1977, $5,000,000 for fiscal year 1978, $3,000,000 for the fiscal year ending September 30, 1982, $2,000,000 for the fiscal year ending September 30, 1983, and $1,000,000 for the fiscal year ending September 30, 1984.]

[Subpart IV—Special Projects]

SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 820. (a) The Secretary may make grants to public and nonprofit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the costs of special projects to—

(1) increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

* * * * * * *

(4) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including nursing personnel who are bilingual) needed to meet the health needs of the Nation, including

the need to increase the availability of personal health services and the need to promote preventive health care; [or]

(5) provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5 [.];

(6) demonstrate clinical nurse education programs which combine educational curricula and clinical practice in health care delivery organizations, including acute care facilities, long-term care facilities, and ambulatory care facilities;

(7) demonstrate methods to improve access to nursing services in noninstitutional settings through support of nursing practice arrangements in communities; or

(8) demonstrate methods to encourage nursing graduates to practice in health manpower shortage areas (designated under section 332) in order to improve the specialty and geographical distribution of nurses in the United States.

* * * * * * *

(d) [For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $15,000,000 for fiscal year 1977, $15,000,000 for fiscal year 1978, $17,000,000 for the fiscal year ending September 30, 1980, $10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983, and $11,000,000 for the fiscal year ending September 30, 1984.] *(1) For payments under grants and contracts under paragraphs (1) through (5) of subsection (a), there are authorized to be appropriated $9,500,000 for the fiscal year ending September 30, 1986, $9,500,000 for the fiscal year ending September 30, 1987, and $9,500,000 for the fiscal year ending September 30, 1988.* Of the funds appropriated under this [subsection] *paragraph* for any fiscal year beginning after September 30, [1981,] *1985*, not less than 20 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(1), not less than 20 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(4), and not less than 10 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(5).

(2) For payments under grants and contracts under paragraphs (6), (7), and (8) of subsection (a), there are authorized to be appropriated $2,700,000 for the fiscal year ending September 30, 1986, $2,700,000 for the fiscal year ending eptember 30, 1987, and $2,700,000 for the fiscal year ending September 30, 1988. In making grants and entering into contracts with amounts appropriated under this paragraph, the Secretary shall give priority to applications for grants and contracts under paragraph (7) of subsection (a).

[ADVANCED NURSE TRAINING PROGRAMS

[SEC. 821. (a) The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nursing to meet the costs of projects to—

[(1) plan, develop, and operate,

[(2) significantly expand, or

[(3) maintain existing

programs for the advanced training of professional nurses to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties (including service as nurse clinicians) determined by the Secretary to require advanced training.

[(b) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, $25,000,000 for fiscal year 1978, $13,500,000 for the fiscal year ending September 30, 1980, $14,000,000 for the fiscal year ending September 30, 1982, $15,000,000 for the fiscal year ending September 30, 1983, and $16,000,000 for the fiscal year ending September 30, 1984.]

ADVANCED NURSE EDUCATION

SEC. 821. (a) The Secretary may make grants to and enter into contracts with public and private nonprofit collegiate schools of nursing to meet the costs of projects to—

(1) plan, develop, and operate,

(2) expand, or

(3) maintain,

programs which lead to masters' and doctoral degrees and which prepare nurses to serve as nurse educators, administrators, or researchers or to serve in clinical nurse specialties determined by the Secretary to require advanced education.

(b) For payments under grants and contracts under this section, there are authorized to be appropriated $16,500,000 for the fiscal year ending September 30, 1986, $17,000,000 for the fiscal year ending September 30, 1987, and $17,500,000 for the fiscal year ending September 30, 1988.

[NURSE PRACTITIONER PROGRAMS]

NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS

SEC. 822. (a)[(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

[(A) plan, develop, and operate,

[(B) significantly expand, or

[(C) maintain existing,

programs for the training of nurse practitioners. The Secretary shall give special consideration to applications for grants or contracts for programs for the training of nurse practitioners who will practice in health manpower shortage areas (designated under sec-

tion 332) and for the training of nurse practitioners which emphasize training respecting the special problems of geriatric patients and training to meet the particular needs of nursing home patients.]

(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing and public health, public or nonprofit private schools of medicine which received grants or contracts under this subsection prior to October 1, 1985, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

(A) plan, develop, and operate,

(B) expand, or

(C) maintain,

programs for the education of nurse practitioners and nurse midwives. The Secretary shall give special consideration to applications for grants or contracts for programs for the education of nurse practitioners and nurse midwives who will practice in health manpower shortage areas (designated under section 332) and for the education of nurse practitioners which emphasize education respecting the special problems of geriatric patients and education to meet the particular needs of nursing home patients and patients who are confined to their homes.

(2) [(A) For purpose of this section, the term "programs for the training of nurse practitioners" means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions.] *(A) For purposes of this section, the term "programs for the education of nurse practitioners and nurse midwives" means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities (where appropriate), and other health care institutions.*

(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the [training] *education* of nurse practitioners *and nurse midwives.* Such guidelines shall, as a minimum, require that such a program—

(i) extend for at least one academic year and consist of—

(I) supervised clinical practice, and

(II) at last four months (in the aggregate) of classroom instruction,

directed toward preparing nurses to deliver primary health care; and

(ii) have an enrollment of not less than eight students.

(b)(1) The Secretary may make grants to and enter into contracts with schools of [nursing, medicine, and public health,] *nursing and public health, schools of medicine which received grants or contracts under this subsection prior to October 1, 1985,* public or nonprofit private hospitals, and other nonprofit entities to establish and operate traineeship programs to train nurse practitioners *and nurse midwives.* In considering applications for a grant or contract under this subsection, the Secretary shall give special consideration to applications for traineeships to train individuals who are residents of health manpower shortage areas designated under section 332.

(2) Traineeships funded under this subsection shall include 100 percent of the costs of tuition, reasonable living and moving expenses (including stipends), books, fees, and necessary transportation.

(3) A traineeship funded under this subsection shall not be awarded unless the recipient enters into a commitment with the Secretary to practice as a nurse practitioner *or nurse midwife* in a health manpower shortage area (designated under section 332) *or in a public health care facility* for a period equal to one month for each month for which the recipient receives such a traineeship.

* * * * * * *

(c) No grant may be made or contract entered into for a project to plan, develop, and operate a program for the [training] *education* of nurse practitioners *and nurse midwives* unless this application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under subsection (a)(2)(B); and no grant may be made or contract entered into for a project to expand or maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such subsection.

[(d) The costs for which a grant or contract under this section may be made may include costs of preparation of faculty members in order to conform to the guidelines established under subsection (a)(2)(B).]

[(e) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, $25,000,000 for fiscal year 1978, $15,000,000 for the fiscal year ending September 30, 1980, $12,000,000 for the fiscal year ending September 30, 1982, $13,000,000 for the fiscal year ending September 30, 1983, and $14,000,000 for the fiscal year ending September 30, 1984.]

(d) For payments under grants and contracts under this section, there are authorized to be appropriated $12,000,000 for the fiscal year ending September 30, 1986, $12,000,000 for the fiscal year ending September 30, 1987, and $12,000,000 for the fiscal year ending September 30, 1988.

PART B—ASSISTANCE TO NURSING STUDENTS

Subpart I—Traineeships

TRAINEESHIPS FOR ADVANCED [TRAINING] *EDUCATION* OF PROFESSIONAL NURSES

SEC. 830. (a)[(1) The Secretary may make grants to public or private nonprofit instituions to cover the costs of traineeships for the training of professional nurses—

[(A) to teach in the various fields of nurse training (including practical nurse training),

[(B) to serve in administrative or supervisory capacities,

[(C) to serve as nurse practitioners, or

[(D) to serve in other professional nursing specialties determined by the Secretary to require advanced training.]

(1)(A) The Secretary may make grants to public or nonprofit private schools of nursing and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to cover the cost of traineeships for nurses in masters' degree and doctoral degree programs in order to educate such nurses to—

(i) serve in and prepare for practice as nurse practitioners,

(ii) serve in and prepare for practice as nurse administrators, nurse educators, and nurse researchers, or

(iii) serve in and prepare for practice in other professional nursing specialties determined by the Secretary to require advanced education.

(B) The Secretary may make grants to public and private nonprofit schools of nursing and appropriate public and private nonprofit entities to cover the cost of traineeships to educate nurses to serve in and prepare for practice as nurse midwives.

* * * * * * *

(b) The Secretary may make grants to public or private nonprofit schools of nursing to cover the costs of post-baccalaureate fellowship for faculty in such schools to enable such faculty to—

(1) investigate cost-effective alternatives to traditional health care modalities, with special attention to the needs of at-risk populations, such as the elderly, premature infants, physically and mentally disabled individuals, and ethnic and minority groups;

(2) examine nursing interventions that result in postive outcomes in health status, with attention to interventions which address family violence, drug and alcohol abuse, the health of women, adolescent care, and disease prevention; and

(3) address other areas of nursing practice considered by the secretary to require additional study.

[(b)](c) [There are authorized to be appropriated for the purposes of this section $15,000,000 for the fiscal year ending June 30, 1976, $20,000,000 for the fiscal year ending September 30, 1977, and $25,000,000 for the fiscal year ending September 30, 1978, $15,000,000 for the fiscal year ending September 30, 1980, $10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983, and $11,000,000 for the fiscal year ending September 30, 1984] *(1) There are authorized to be appropriated for the purposes of subsec-*

tion (a) $11,500,000 for the fiscal year ending September 30, 1986, $12,250,000 for the fiscal year ending September 30, 1987, and $13,000,000 for the fiscal year ending September 30, 1988. [Not less than 25 percent of the funds appropriated under the subsection for any fiscal year shall be obligated for traineeships described in subsection (a)(1)(A) except that if the obligation of that amount of the funds appropriated under this subsection will prevent the continuation of a traineeship to an individual who received a traineeship under subsection (a) for the fiscal year ending September 30, 1981, the Secretary shall reduce the amount to be obligated for traineeships described in subsection (a)(1)(A) by such amount as may be necessary for the continuation of traineeships first awarded in such fiscal year.] Priority in the award of traineeships under [subsection (a)(1)(C)] *subsection (a)(1)(A)(i)* shall go to nurse midwife trainees.

(2) There are authorized to be appropriated for the purposes of subsection (b) $1,100,000 for the fiscal year ending September 30, 1986, $1,100,000 for the fiscal year ending September 30, 1987, and $1,100,000 for the fiscal year ending September 30, 1988.

[TRAINEESHIPS FOR TRAINING OF] NURSE ANESTHETISTS

SEC. 831. (a)(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for the training, in programs which meet such requirements as the Secretary shall by regulation prescribe and which are accredited by an entity or entities designated by the [Commissioner] *Secretary* of Education, of licensed, registered nurses to be nurse anesthetists.

(2) Payments to institutions under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

(b) The Secretary may make grants to public or private nonprofit institutions to cover the cost of projects to improve existing programs for the education of nurse anesthetists which are accredited by an entity or entities designated by the Secretary of Education. Such grants shall include grants to such institutions for the purpose of providing financial assistance and support to certified registered nurse anesthetists who are faculty members of accredited programs to enable such nurse anesthetists to obtain advanced education relevant to their teaching functions.

[(b) For the purpose of making grants under subsection (a), there are authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1980, $400,000 for the fiscal year ending September 30, 1983, and $800,000 for the fiscal year ending September 30, 1984.]

(c) For the purpose of making grants under this section, there are authorized to be appropriate $800,000 for the the fiscal year ending September 30, 1986, $800,000 for the fiscal year ending September 30, 1987, and $800,000 for the fiscal year ending September 30, 1988. Not more than 20 percent of the amount appropriated under this

section for any fiscal year shall be obligated for grants under the second sentence of subsection (b).

Subpart II—Student Loans

LOAN AGREEMENTS

SEC. 835. (a) * * *

* * * * * * *

(c)(1) Any standard established by the Secretary by regulation for the collection by schools of nursing of loans made pursuant to loan agreements under this subpart shall provide that the failure of any such school to collect such loans shall be measured in accordance with this subsection.

(2) The measurement of a school's failure to collect loans made under this subpart shall be the ratio (stated as a percentage) that the defaulted principal amount outstanding of such school bears to the matured loans of such school.

(3) For purposes of this subsection—

(A) the term "default" means the failure of a borrower of a loan made under this subpart to—

(i) make an installment payment when due; or

(ii) comply with any other term of the promissory note for such loan,

except that a loan made under this subpart shall not be considered to be in default if the loan is discharged in bankruptcy or if the school reasonably concludes from written contacts with the borrower that the borrower intends to repay the loan;

(B) the term "defaulted principal amount outstanding" means the total amount borrowed from the loan fund of a school that has reached the repayment stage (minus any principal amount repaid or cancelled) on loans—

(i) repayable monthly and in default for at least 120 days; and

(ii) repayable less frequently than monthly and in default for at least 180 days;

(C) the term "grace period" means the period of one year beginning on—

(i) the date on which the borrower ceases to pursue a full time or half-time course of study at a school of nursing; or

(ii) the date on which ends any period described in clause (A) or (B) of section 835(b)(2) which is applicable to such borrower,

whichever is latter; and

(D) the term "natured loans" means the total principal amount of all loans made by a school of nursing under this subpart minus the total principal amount of loans made by such school to students who are—

(i) enrolled in a full-time of half-time course of study at such school; or

(ii) in their first grace period.

LOAN PROVISIONS

SEC. 836. (a) * * *

(b) Loans from any such student loan fund by any school shall be made on such terms and conditions as the school may determine; subject, however, to such conditions, limitations, and requirements as the Secretary may prescribe (by regulation or in the agreement with the school) with a view to preventing impairment of the capital of such fund to the maximum extent practicable in the light of the objective of enabling the student to complete his course of study; and except that—

(1) such a loan may be made only to a student who (A) is in need of the amount of the loan to pursue a full-time or half-time course of study at the school leading to a baccalaureate or associate degree in nursing or an equivalent degree, or a diploma in nursing, or a graduate degree in nursing, [and] (B) is capable, in the opinion of the school, of maintaining good standing in such course of study *and (C) if a student who will enroll in the school after June 30, 1986, is of exceptional financial need (as defined by regulations of the Secretary).*

* * * * * * *

(f) Subject to regulations of the Secretary *and in accordance with this section, a school* [may] *shall* assess a charge with respect to a loan from the loan fund established pursuant to an agreement under this subpart for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment of the loan under subsection (b)(2) or cancellation of part or all of the loan under subsection (b)(3), for any failure to file timely and satisfactory evidence of such entitlement. [The amount of any such charge may not exceed $1 for the first month or part of a month by which such installment or evidence is late and $2 for each such month or part of a month thereafter.] *No such charge may be made if the payment of such installment or the filing of such evidence is made within 60 days after the date on which such installment or filing is due. The amount of any such charge may not exceed an amount equal to 6 percent of the amount of such installment.* The school may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the school not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

* * * * * * *

(k) The Secretary is authorized to attempt to collect any loan which was made under this subpart, which is in default, and which was referred to the Secretary by a school of nursing with which the Secretary has an agreement under this subpart, on behalf of that school under such terms and conditions as the Secretary may prescribe (including reimbursement from the school's student loan fund for expenses the Secretary may reasonably incur in attempting collection), but only if the school has complied with such requirements as the Secretary may specify by regulation with respect to the collection of loans under this subpart. A loan so referred shall be treated

as a debt subject to section 5514 of title 5, United States Code. Amounts collected shall be deposited in the school's student loan fund. Whenever the Secretary desires the institution of a civil action regarding any such loan, the Secretary shall refer the matter to the Attorney General for appropriate action.

* * * * * * *

ALLOTMENTS AND PAYMENTS OF FEDERAL CAPITAL CONTRIBUTIONS

SEC. 838. [(a) From the sums appropriated pursuant to section 837 for any fiscal year, the Secretary shall allot to each school an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in such school bears to the total number of persons enrolled on a full-time basis in all schools of nursing in all the States. The number of persons enrolled on a full-time basis in schools of nursing for purposes of this section shall be determined by the Secretary for the most recent year for which satisfactory data are available to him. For purposes of allotments under this section, a school of nursing also includes any school with which the Secretary has, prior to the time the allotment is made, entered into an agreement for establishment of a student loan fund under this subpart. Funds available in any fiscal year for payment to schools under this subpart which are in excess of the amount appropriated pursuant to section 837 for that year shall be allotted among States and among schools within States in such manner as the Secretary determines will best carry out the purposes of this subpart.

[(b)(1) The Secretary shall from time to time set dates by which schools of nursing in a State must file applications for Federal capital contributions from the allotment of such State under the first two sentences of subsection (a) of this section.

[(2) If the total of the amounts requested for any fiscal year in such applications which are made by schools in a State exceeds the amount of the allotment of such State for that fiscal year, the amounts to be paid to the loan fund of each such school shall be reduced to whichever of the following is the smaller: (A) the amount requested in its application or (B) an amount which bears the same ratio to the amount of the allotment of such State as the number of students who will be enrolled full time in such school during such fiscal year bears to the total number of students who will be enrolled full time in all such schools in such States during such year. Amounts remaining after allotment under the preceding sentence shall be redistributed in accordance with clause (B) of such sentence among schools which in their applications requested more than the amounts so paid to their loan funds, but with such adjustments as may be necessary to prevent the total paid to any such school's loan fund from exceeding the total so requested by it. If the total of the amounts requested for any fiscal year in such applications which are made by schools in a State is less than the amount of the allotment of such State for that fiscal year, the Secretary may reallot the remaining amount from time to time, on such date or dates as he may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year. For the purpose of this section, the number of students who

graduated from secondary schools in each State during a fiscal year and the number of students who will be enrolled full time in schools of nursing in each State shall be estimated by the Secretary on the basis of the best information available to him; and in making such estimates, the number of students enrolled full time in any collegiate school of nursing shall be deemed to be twice their actual number.]

(a)(1) The Secretary shall from time to time set dates by which schools of nursing must file applications for Federal capital contributions.

(2)(A) If the total of the amounts requested for any fiscal year in such applications exceeds the total amount appropriated under section 837 for that fiscal year, the allotment from such total amount to the loan fund of each school of nursing shall be reduced to whichever of the following is the smaller:

(i) The amount requested in its application.

(ii) An amount which bears the same ratio to the total amount appropriated as the number of students estimated by the Secretary to be enrolled on a full-time basis in such school during such fiscal year bears to the estimated total number of students enrolled in all such schools on a full-time basis during such year.

(B) Amounts remaining after allotment under subparagraph (A) shall be reallotted in accordance with clause (ii) of such subparagraph among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund under this paragraph and paragraph (3) from exceeding the total so requested by it.

(3) Funds which, pursuant to section 839(c) or pursuant to a loan agreement under section 835, are returned to the Secretary in any fiscal year, shall be available for allotment in such fiscal year and in the fiscal year succeeding the fiscal year. Funds described in the preceding sentence shall be allotted among schools of nursing in such manner as the Secretary determines will best carry out this subpart, except that in making such allotments, the Secretary shall give priority to schools of nursing which established student loan funds under this subpart after September 30, 1975.

(b) Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

* * * * * * *

DISTRIBUTION OF ASSETS FROM LOAN FUNDS

SEC. 839. (a) After September 30, [1987,] *1991*, and not later than December 31, [1987,] *1991*, there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to section 835(b) by each school as follows:

(1) The Secretary shall first be paid an amount which bears the same ratio to such balance in such fund at the close of September 30, [1987,] *1991*, as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to

section 835(b)(2)(A) bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section 835(b)(2)(B).

(2) The remainder of such balance shall be paid to the school.

(b) After December 31, [1987,] *1991*, each school with which the Secretary has made an agreement under this subpart shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after September 30, [1987,] *1991*, in payment of principal or interest on loans made from the loan fund established pursuant to such agreement as was determined for the Secretary under subsection (a).

(c)(1) Within 90 days after the termination of any agreement with a school under section 835 or the termination in any other manner of a school's participation in the loan program under this subpart, such school shall pay to the Secretary from the balance of the loan fund of such school established under section 835, an amount which bears the same ratio to the balance in such fund on the date of such termination as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 835(b)(2)(A) bears to the total amount in such fund on such date derived from such Federal capital contributions and from funds deposited in the fund pursuant to section 835(b)(2)(B). The remainder of such balance shall be paid to the school.

(2) A school to which paragraph (1) applies shall pay to the Secretary after the date on which payment is made under such paragraph and not less than quarterly, the same proportionate share of amounts received by the school after the date of termination referred to in paragraph (1) in payment of principal or interest on loans made from the loan fund as was determined for the Secretary under such paragraph.

* * * * * * *

[TRANSFERS TO SCHOLARSHIP PROGRAM

[SEC. 841. Not to exceed 20 per centum of the amount paid to a school from the appropriation for any fiscal year for Federal capital contributions under an agreement under this part, or such larger percentage thereof as the Secretary may approve, may be transferred to the sums available to the school under subpart III of this part to be used for the same purpose as such sums. In the case of any such transfer, the amount of any funds which the school deposited in its student loan fund pursuant to section 835(b)(2)(B) with respect to the amount so transferred may be withdrawn by the school from such fund.]

PROCEDURES FOR APPEAL OF TERMINATIONS

SEC. 842. In any case in which the Secretary intends to terminate an agreement with a school of nursing under this subpart, the Secretary shall provide the school with a written notice specifying such intention and stating that the school may request a formal hearing with respect to such termination. If the school requests such a hearing within 30 days after the receipt of such notice, the Secretary

shall provide such school with a hearing conducted by an administrative law judge.

[Subpart III—Scholarship Grants to Schools of Nursing

[SCHOLARSHIP GRANTS

[SEC. 845. (a) The Secretary shall make grants as provided in this section to each public or other nonprofit school of nursing for scholarships to be awarded annually by such school to students thereof.

[(b) The amount of the grant under subsection (a) for the fiscal year ending June 30, 1976, and for each of the next four fiscal years to each such school shall be equal to $3,000 multiplied by one-tenth of the number of full-time students of such school. For the fiscal year ending September 30, 1981, the grant under subsection (a) shall be such amount as may be necessary to enable such school to continue making payments under scholarship awards to students who initially received such awards out of grants made to the school for fiscal years ending before October 1, 1980.

[(c)(1) Scholarships may be awarded by schools from grants under subsection (a)—

[(A) only to individuals who have been accepted by them for enrollment, and individuals enrolled and in good standing, as full-time or half-time students, in the case of awards from such grants for the fiscal year ending June 30, 1976, and for each of the next four fiscal years; and

[(B) only to individuals enrolled and in good standing as full-time or half-time students who initially received scholarship awards out of such grants for a fiscal year ending prior to October 1, 1980, in the case of awards from such grants for the fiscal year ending September 30, 1981.

[(2) Scholarships from grants under subsection (a) for any school year shall be awarded only to students of exceptional financial need who need such financial assistance to pursue a course of study at the school for such year. Any such scholarship awarded for a school year shall cover such portion of the student's tuition, fees, books, equipment, and living expenses at the school making the award, but not to exceed $2,000 for any year in the case of any student, as such school may determine the student needs for such year on the basis of his requirements and financial resources.

[(d) Grants under subsection (a) shall be made in accordance with regulations prescribed by the Secretary after consultation with the National Advisory Council on Nurse Training.

[(e) Grants under subsection (a) may be paid in advance or by way of reimbursement, and at such intervals as the Secretary may find necessary; and with appropriate adjustments on account of overpayments or underpayments previously made.]

PART C—GENERAL

NATIONAL ADVISORY COUNCIL ON NURSE TRAINING; REVIEW COMMITTEE

SEC. 851. (a) * * *

(b) The Council shall advise the Secretary or his delegate in the preparation of general regulations and with respect to policy matters arising in the administration of this title [and in the review of applications for construction projects under subpart I of part A, of applications under section 805, and of applications under subpart III of part A].

* * * * * * *

DEFINITIONS

SEC. 853. For purposes of this title—

(1) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, [the Canal Zone,] *the Commonwealth of the Northern Mariana Islands,* Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands.

* * * * * * *

[(6) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education, except that a program, or a hospital, school, college, or university (or unit thereof), which is not, at the time of the application under this title, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of this title in the following cases if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the program, or the hospital, school, college, or university (or unit thereof), will meet the accreditation standards of such body or bodies (A) in the case of an applicant under subpart I of part A for a grant for a project for construction of a new school (which shall include a school that has not had a sufficient period of operation to be eligible for accreditation), (i) upon completion of such project and other construction projects (if any) then under construction or planned and to be commenced within a reasonable time, or (ii) if later, then prior to the beginning of the first academic year following the normal graduation date of the first entering class in such school; (B) in the case of a school applying for a grant under section 810 for any fiscal year, prior to the beginning of the first academic year following the normal graduation date of the class which is the entering class for such fiscal year (or is the first such class in such year if there is more than one); and (C) in the case of a school seeking an agreement under section 835 for establishment of a student loan fund, prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the agreement with such school is made under section 835; except that the provisions of this clause shall not apply for purposes of section 838. For the purpose

of this paragraph, the Secretary of Education shall publish a list of recognized accrediting bodies, and of State agencies, which he determines to be reliable authority as to the quality of training offered.]

(6) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education, except that a school of nursing seeking an agreement under subpart II of part B for the establishment of a student loan fund, which is not, at the time of the application under such subpart, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of such subpart if the Secretary of Education finds, after consultation with the appropriate accredition body or bodies, that there is reasonable assurance that the school will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal granduation date of students who are in their first year of instruction at such school during the fiscal year in which the agreement with such school is made under such subpart; except that the provisions of this clause shall not apply for purposes of section 838. For the purpose of this paragraph, the Secretary of Education shall publish a list of recognized accrediting bodies, and of State agencies, which the Secretary of Education determines to be reliable authority as to the quality of education offered.

* * * * * * *

[RECAPTURE OF PAYMENTS

[SEC. 804. If, within twenty years (or in the case of interim facilities, within such shorter period as the Secretary shall by regulation prescribe) after completion of any construction for which funds have been paid under this subpart—

[(1) the applicant or other owner of the facility shall cease to be a public or nonprofit private school, or

[(2) the facility shall cease to be used for the training purposes for which it was constructed (unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so), or

[(3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.]

RECOVERY FOR CONSTRUCTION ASSISTANCE

SEC. 858. (a) If at any time within twenty years (or within such shorter period as the Secretary may prescribe by regulation for an interim facility) after the completion of construction of a facility with respect to which funds have been paid under subpart I of part A (as such subpart was in effect on September 30, 1985)—

(1) the owner of the facility ceases to be a public or nonprofit school,

(2) the facility ceases to be used for the training purposes for which it was constructed, or

(3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the owner of the facility the base amount prescribed by subsection (c)(1) plus the interest (if any) prescribed by subsection (c)(2).

(b) The owner of a facility which ceases to be a public or nonprofit school as described in paragraph (1) of subsection (a), or the owner of a facility the use of which changes as described in paragraph (2) or (3) of such subsection shall provide the Secretary written notice of such cessation or change of use not later than 10 days after the date on which such cessation or change of use occurs.

(c)(1) The base amount that the United States is entitled to recover under subsection (a) is the amount bearing the same ratio to the then value (as determined by the agreement of the parties or in an action brought in the district court of the United States for the district in which the facility is situated) of the facility as the amount of the Federal participation bore to the cost of the construction.

(2)(A) The interest that the United States is entitled to recover under subsection (a) is the interest for the period (if any) described in subparagraph (B) at a rate (determined by the Secretary) based on the average of the bond equivalent rates of ninety-one-day Treasury bills auctioned during such period.

(B) The period referred to in subparagraph (A) is the period beginning—

(1) if notice is provided as prescribed by subsection (b), 191 days after the date on which the owner of the facility ceases to be a public or nonprofit school as described in paragraph (1) of subsection (a), or 191 days after the date on which the use of the facility changes as described in paragraph (2) or (3) of such subsection, or

(2) if notice is not provided as prescribed by subsection (b), 11 days after the date on which such cessation or change of use occurs,

and ending on the date the amount the United States is entitled to recover is collected.

(d) The Secretary may waive the recovery rights of the United States under subsection (a) with respect to a facility (under such conditions as the Secretary may establish by regulation) if the Secretary determines that there is good cause for waiving such rights.

(e) The right of recovery of the United States under subsection (a) shall not, prior to judgment, constitute a lien on any facility.

OTHER LAWS AFFECTED BY THIS LEGISLATION

INTERNAL REVENUE CODE OF 1954 (Title 26, U.S.C.)

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Subtitle F—Procedure and Administration

CHAPTER 61—INFORMATION AND RETURNS

* * * * * * *

Subchapter B—Miscellaneous Provisions

§§ 6101-6102. * * *

§ 6103. Confidentiality and disclosure of returns and return information

(a)-(l) * * *

(m) Disclosure of taxpayer identity information.—

(1)-(3) * * *

(4) Individuals who have defaulted on student loans *administered by the Department of Education.*—

(A) IN GENERAL.—Upon written request by the Secretary of Education, the Secretary may disclose the mailing address of any taxpayer who has defaulted on a loan—

(i) made under part B or E of title IV of the Higher Education Act of 1965, or

(ii) made pursuant to section 3(a)(1) of the Migration and Refugee Assistance Act of 1962 to a student at an institution of higher education, for use only by officers, employees, or agents of the Department of Education for purposes of locating such taxpayer for purposes of collecting such loan.

(B) DISCLOSURE TO EDUCATIONAL INSTITUTIONS, ETC.—Any mailing address disclosed under subparagraph (A)(i) may be disclosed by the Secretary of Education to—

(i) any lender, or any State or nonprofit guarantee agency, which is participating under part B of title IV of the Higher Education Act of 1965, or

(ii) any educational institution with which the Secretary of Education has an agreement under part E of title IV of such Act, for use only by officers, employees, or agents of such lender, guarantee agency, or institution whose duties relate to the collection of student loans for purposes of locating individuals who have defaulted on student loans made under such loan programs for purposes of collecting such loans.

(5) Individuals who have defaulted on student loans administered by the Department of Health and Human Services.—

(A) IN GENERAL.—Upon written request by the Secretary of Health and Human Services, the Secretary may disclose the mailing address of any taxpayer who has defaulted on a loan

made under part C of title VII of the Public Health Service Act or under subpart II of part B of title VIII of such Act, for use only by officers, employees, or agents of the Department of Health and Human Services for purposes of locating such taxpayers for purposes of collecting such loan.

(B) DISCLOSURE TO SCHOOLS AND ELIGIBLE LENDERS.—Any mailing address disclosed under subparagraph (A) may be disclosed by the Secretary of Health and Human Services to—

(i) any school with which the Secretary of Health and Human Services has an agreement under subpart II of part C of title VII of the Public Health Service Act or subpart II of part B of title VIII of such Act, or

(ii) any eligible lender (within the meaning of section 737 (4) of such Act) participating under subpart I of part C of title VII of such Act.

for use only by officers, employees, or agents of such school or eligible lender whose duties relate to the collection of student loans for purposes of locating individuals who have defaulted on student loans made under such subparts for the purposes of collecting such loans.

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